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Sen. Johnson to keep major sporting events in Michigan

LANSING – Legislation that would encourage major sporting events to locate in Michigan passed out of the Senate Appropriations Committee and now moves to the Senate Floor, said Sen. Shirley Johnson, R-Troy.

Sponsored by Johnson, Senate Bills 1372 and 1373 would extend the current sales tax exemptions given on sponsor packages at certain major sporting events. Such events include the Super Bowl, PGA Championship and the NCAA basketball tournament. The current tax exemption is set to expire on January 1, 2007.

“This tax exemption will help spur our local economy,” said Johnson, chair of the Senate Committee on Appropriations. “It will not only encourage tourism, but it offers an added incentive for other sporting events to come to Michigan.”

The driving force behind the legislative package is the success of the 2006 Super Bowl at Ford Field in Detroit and the 2004 Ryder Cup at Oakland Hills Country Club in Bloomfield Hills.

By extending the tax exemption to include the NCAA Basketball tournament and the PGA Championship, sports organizations will be allowed to sell sponsorship packages at the event. The packages are an integral part of a major sporting event’s promotion.

Currently, the sales tax exemption waves the six-percent sales tax on items in these packages. Such packages typically include hotel rooms and shuttle rides to the events. Food, souvenirs and other such items are not exempt.

Estimates by the Detroit Metro Convention and Visitors Bureau have attributed \$77 million in direct spending into the local economy and a \$144 million gross economic impact from the 2004 Ryder Cup.

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